



Darwin – Terrabos Consulting

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Darwin Convention Centre, Darwin

Speakers: David Armstrong

Hon. Justice

Rachel Pepper: Whenever you're ready, Mr. Armstrong, if you could please state for the recording your name and if you're representing, if you're here on behalf of organisation. If you're not, that's fine as well.

David Armstrong: My name's David Armstrong. I'm representing my company, Terrabos Consulting.

Hon. Justice

Rachel Pepper: Thank you.

David Armstrong: I'd like to thank the Justice Pepper and the panel for allowing me to speak in front of you today. I'd first like to give [00:49:30] you a brief rundown on my background, which is mentioned in my submission. I've over 25 years experience with the [pastoral 00:49:39] industry across Northern Australia, 15 of these in the Northern Territory. In the interim, I've run my cattle breeding and trading business initially based in the [Sturt Plateau 00:49:48] region. I've been a contract fencer, yard builder, established cattle feeds and dung mastering, plus cattle station work. I established Terrabos consulting in 2011, [00:50:00] and focused on the Northern Territory pastoral mining, exploration, industry and outer region economic development. Prior to Terrabos, I worked for five years at the northern land counsel, in relation to land management. This was focused on sustainable pastoral development on our regional land, which included long-term lease negotiations under the land rights act. Through this I developed a high level of trust with aboriginal people that I don't take lightly.

[00:50:30] In 2012 to 2015, I was involved in the oil and gas industry, negotiating access agreements and [inaudible 00:50:38] with pastorals regarding exploration activity, with over 50 stations north of Tennant Creek and south of Katherine. Plus negotiating native title access. Activities included seismic operation, drilling, geological surveys, airborne geophysical surveys, and introspective development survey work.

Being in territory and with the experience I [00:51:00] have in pastoral, in the oil and gas industry, and working with aboriginal people, I find myself



sitting between those three groups. This has given me extensive experience and insight into issues and relationship, which I say is unparalleled with pretty much anyone up here.

So today, being a short presentation, I'd like to focus on the issue of a social licence, [00:51:30] what that is. The majority of work I've done is been for [Pangaea Resources 00:51:33], [inaudible 00:51:33] rating, who engaged me at the end of 2012 to assist them with pastoral access negotiations. Since then, I negotiated and managed approximately 25 signed land access agreements covering 27 stations for Pangaea to undertake on ground operations such as seismic and drilling. Through this time, Pangaea [00:52:00] built their station licence to operate by negotiating openly and fairly with pastorals, who had banded together and managed, negotiated in good faith, for mutually beneficial outcomes.

First we, Pangaea, had to build trust by doing what they said they were going to do. With that I believe came respect and the ability to sit at the pastorals table on a yearly basis to openly [00:52:30] renegotiate access agreements, as they were done on a yearly basis. Respect is the key. You open the front gate to a station, and the house might be 20 kilometres down the track, but as soon as you enter that gate, you're in someone's home, and that respect they deserve, and that respect Pangaea showed. Hence they have that social licence to operate.

[00:53:00] The agreements and how they worked. You've got a two-pronged negotiation. You have native title, and you have the pastoral land access negotiations. Through that, with the native title you have to develop a work programme to deliver the NLC to go to traditional owners, stipulating what you're going to do and how you're going to do that. With Pangaea, we developed those work programmes based around the pastoral access agreement too, [00:53:30] so when we went to the pastorals and the traditional owner, it's the one programme. Delivering that programme to the pastorals allows them to see exactly what's going to happen, and changing that programme under the native title act through the land counsel is difficult. It can be done, but it needs to be done through a bit of work and further negotiation, and I have [00:54:00] tried to do other work outside of that programme at the end of one year, and the land counsel said no, so we didn't do it. So once you have that programme, you probably should stick to that programme.

Once the access agreements are signed and we're in the field, I sit down with the pastorals and we negotiate an operational agreement, which is basically just myself and the pastorals sitting down and working out the dos and don'ts on the station. How to shut gates, [00:54:30] whether we leave gates hang back, why it opened, tracks we can use, can't use, how they speak, where they're mustering, where they're going to be shooting dogs, or dingos, and that's all listed and written out and signed between myself and the pastorals.



At the end of all operations, I visit the pastorals again and we go through those [00:55:00] operational agreements and discuss how the conduct, how things were, but the final question I always ask is, "Are you happy with how Pangaea operated?" And "Can they come back on your station?" And the answer has always been yes. So again, they built their social licence to operate.

Looking at social licence outside of the Sturt Plateau area, that Pangaea area, [00:55:30] how do you build that social licence outside of that area and the people you are directly dealing with? I know there are issues within the community, and there are concerns in the community, and I respect that people have those concerns, but I also want people to respect that I have a view as well. A lot of my concerns, and having worked extensively with aboriginal people, my concern is the information delivered to those, particularly traditional owners, in the areas where [00:56:00] I've been working.

I've had TI's south of Katherine tell me directly that they will get sick, their kids will die, their water will get poisoned, and their fish will die. Their cattle will die, and their land will be destroyed. In their eyes, that's just total armageddon. Total wipeout. Whether you like this industry or not, using fear as a tool, and that's what is in these people's eyes when you look at them, against the most [inaudible 00:56:29] territories is [00:56:30] wrong and frankly disgraceful. I believe there are opportunities for TI's within the oil and gas industry. However, TI's need to be afforded the right to balance the information. The industry engagement is governed a native title act, and the land rights act, and controlled by the land counsels, and through this inquiry there may be more restrictions on the industry. Activists are controlled by nobody. They push their own agenda, their own extreme agenda, and I believe they [00:57:00] need to be controlled and held accountable as these industries.

And now the [inaudible 00:57:06] have asked me to help them secure funding to further develop their pastoral operations as a recent application had been knocked back. Funding is getting harder to obtain, and I believe financial independence is a large stepping stone to true self-determination. I asked what other business opportunities they had on their land, and they said a company wants to frack, that they've been told it's not good. [00:57:30] I told them it may not be right for them, but they need to look into it and investigate it fully as it may be a way of making money off their land where they can use in other businesses on their land. They asked me to go and speak to the exploration company for them. I explained there's a moratorium and told them that I would need to go to the starting point, which is the land counsel, not me.

Again, they [00:58:00] have been told that it was bad, and they didn't know why. I've raised the above points as I work aboriginal economic development, and I see opportunities for them in the oil and gas industry, and I'd hate to see them railroaded and miss out and this I have seen before when people come in with their own agenda and manipulate aboriginal



people around what they want to see. And I'm seeing it out there now. [00:58:30] Activists will go back to their home, but the TI's who could be the biggest losers will be left where they are. If you look at [Jilkminggan 00:58:42] in the [Mataranka region 00:58:43], in 2008 census, it was ranked the worst place to live in Australia for social and economic regions. Schooling, job opportunities, health, those sorts of things. You know, there's opportunities there that need to be investigated. Whether this industry is right for those people, they can decide that. It may not be, [00:59:00] but if they are going to be told that their kids are going to die, their fish are going to die, their cattle are going to die, they are not going to allow this industry at all.

So that's why I believe there needs to be control measures put in place on activists entering these places. Under the Land Rights Act, you need a permit to enter aboriginal land, but that's pretty easily circumvented.

[00:59:30] With my experience in the industry, and what I submitted in my submission, I will probably leave it at that and see if there are any questions.

Hon. Justice

Rachel Pepper:

[inaudible 00:59:52] Mr. Fraser, sorry. Not Mr. Fraser, Mr. Armstrong, but a social licence is obviously more [01:00:00] than just good land access agreements. It's also encompasses a wide range of environmental concerns as well.

David Armstrong:

Yes, I totally agree, but I sort of look at the pastoralists where we operate are happy for it, and they would not ... And I've been told directly by them. They look me in the eye and said, "This will not happen on my station if I didn't want it to happen," but they're happy for it. They're happy. They wouldn't allow drilling and the contamination of their water, which is the lifeblood of their station, if they didn't [01:00:30] think it was going to be safe.

Hon. Justice

Rachel Pepper:

Yes, Dr. Ritchie.

David Ritchie:

Mr. Armstrong, you were just saying, you will be able to cover a long history of working. Is there are a lot of industries [inaudible 01:00:43] that you've developed a relationship of trust with aboriginal people that you work with. Just how do you find, when you're talking to them about this, and I know that you've been very clear with them that you are not the go-to person, and the land [01:01:00] counsel is their representative, but just talking through their concerns, and just talking to them about what you know of the process, how do you find that goes when you're just discussing the process with them and when they get to hear from a trusted source? What's their reaction?

David Armstrong:

People I'm talking to, and you do find that I'll sort of be relating to the [inaudible 01:01:24], they're traditional owners that stretch north to the south and they'll [01:01:30] be linked through for family reasons, so they'll have been to more extensive meetings to say in the south, then they've had in the north, and they'll have a better understanding of it, and when you get



in with a group just on the side and quietly have a chat, there is confusion out there, but a lot of the people that I've dealt with that have worked on cattle stations, for instance, and understand drilling, aren't concerned with it. Particularly in native title areas, I've had people say to [01:02:00] me, "We're happy for it on native title, for sure, because I actually don't get to utilise native title land." If they have some means to gain benefit from it, hence I believe pastoralists would too, but I've also had traditional owners say to me, where they've allowed it on native title, they want it to happen on the native title, they'll see how it goes, and then they'll see whether they let it happen on their land trust land.

[01:02:30] So they're out there looking. They want to get educated, and particularly the traditional owners that have been engaged with the industry for a number of years, and have had time to build up a level of knowledge about it, the concerns are not there.

David Ritchie: Is there anything, again, rather than have you say that this is just generalised disaster will happen kind of idea, once you get past [01:03:00] that, is there anything specific that they said to you? We don't like the idea of the horizontal drilling, or we don't them seeing shaped charges, or whatever. Is there any particular theme that you could say is most likely to bring out that reaction of, Jesus we don't like this, as distinct from ... With bores, we've been drilling water bores for a hundred years.

David Armstrong: It's more the surface operations, and I find that with pastoralists too, and I'm talking about traditional owners in [01:03:30] the areas I've been dealing with.

David Ritchie: Yeah, I only want your direct experience.

David Armstrong: Yeah, so it's more what's going to happen on the surface and how is that going to affect how I get around on the land and things like that, but there are benefits from roads being put in. You know, a lot of traditional owners ... I've done seismic work, where the seismic mines have been cleared, and they have to be rehabilitated. They don't want that. Pastoralists don't want that. Pastoralists can [01:04:00] use them for fire breaks, they can use them for [leak grounds 01:04:02]. Traditional owners want them done so they can actually use them as access in the country.

The other thing as far as with the site clearing on a native title land, with this industry, it enables traditional owners would get out on the country where they haven't been for a long time. So part of the site clearance is taking along young kids and taking them out and they're learning [01:04:30] country where they don't go, because it's station country. So they see benefits in a number of different things, but there are concerns there, I don't deny that.

Hon. Justice
Rachel Pepper: Yes. Professor Hart.



Barry Hart AM : We were in [inaudible 01:04:53] last week talking to a range of [inaudible 01:04:56] and one of the things that we were exploring there was [01:05:00] how much did they discuss their negotiations with the companies. It varied. What's your experience there of whether the pastoralists share information? Or did, okay this is how I went about it? Did they talk to each other?

David Armstrong: Well, with the Sturt Plateau, they negotiated as a group.

Barry Hart AM : As a group.

David Armstrong: Which gave them power, but then there was individual negotiations as well. So there was a sort of overall [01:05:30] negotiations, and then we sat down individually, and what was negotiated was we need access to access tracks and how they were going to be developed. Access to water, so what water bores we could use and how we were going to upgrade those bores. Those sorts of things. So what pastorals got was ... I would say there may have been talk over the fence, but they [01:06:00] probably kept to themselves quite a bit.

Barry Hart AM : Probably about money.

David Armstrong: Yeah, occasionally I would fence about money.

Barry Hart AM : Yep.

David Armstrong: But you're talking about pastoralists who can be 60ks apart ...

Barry Hart AM : Exactly.

David Armstrong: Natives, you know, they're natives. They talk for sure, so how much they talk under the fence I'm not sure. I believe that accesses granted should be confidential and not public. I believe [01:06:30] that moving forward there can be business deals between the industry and the individual pastorals, and I just think that within a business deal, it should be kept confidential. Environmental management plans and those sorts of things the public should see, not a problem, but the actual nuts and bolts of an access agreement, I think it's ...

Hon. Justice Rachel Pepper: [01:07:00] Presumably if both parties want that confidentiality ... We've heard time and time again land holders who object to confidentiality being imposed on them.

David Armstrong: Yeah, that's a good point, yeah.

Hon. Justice Rachel Pepper: Obviously, if both parties agree, well ...

David Armstrong: And with the people I've dealt with, because I think there's a good relationship, they'd probably prefer to have them be confidential.



Hon. Justice
Rachel Pepper:

Sorry.

Dr David Jones:

Can I just explore a little [01:07:30] further your assertion of misinformation to the indigenous groups? You've made some broad comments about more control?

David Armstrong:

Yep.

Dr David Jones:

Over anti-fracking groups. Tease that with you because I have no idea if what we might recommend here ... It's a democratic society, it's rather difficult [01:08:00] to control this. What did you have in mind?

David Armstrong:

Well, I've been looking at ... The bulk of communities are on land trust land, and controlling the access to that land trust land, and under the land rights act, you need a permit onto aboriginal land. However, that's pretty easily circumvented by having a traditional owner say, "No, he's with me." To do that, the land counsel needs to be the central focus. So the industry's controlled in their access by the land counsel, [01:08:30] and that's with consultation and so forth. It has to be done through the land counsel, so there's control measures for the industry. Controlling the activists is another thing. How do you stop them going on there? So I think you need someone like the land counsel, and I believe it has to be the land counsel as a representative body for traditional owners, who deliver the [01:09:00] information packages tailored and developed entirely for aboriginal people so that they have a good understanding, and those meetings need to be conducted. A number of meetings. Deliver some information, go away, let them digest that, and come back, and not have any other group going in there saying, "This is what we're going to do. This is how we're going to do it."

But I still say the industry are controlled by that. Anything you do, that [01:09:30] I've done within the oil and gas industry with aboriginal people is through the land counsel. You don't walk into a community and start [inaudible 01:09:39]. So the land counsel needs to be resourced to do that. I know a lot of people say that the land counsels make a lot of money off mining and whatnot. Well, having worked in there, it's pretty tough, and in that organisation you are damned if you do, and damned if you don't in a lot of aspects. So they need the resources [01:10:00] to do it.

Dr David Jones:

Thanks.

Hon. Justice
Rachel Pepper:

Yes, Dr. Beck.

Vaughan Beck AM:

You mentioned before that you saw opportunities for aboriginal communities. I'm just wondering if you could articulate that. Expand it out a bit as to what you see as the opportunities and how they may be realised to reality.



David Armstrong: Well, there's employment opportunities. If I look at employment opportunities to start with, I've been involved in a number of pastoral training programmes. The kids [01:10:30] come along, and it's outside, hard, physical work, and a lot of the kids get to the end, and they don't want to do it. So if there's an opportunity to drive a machine, and I've seen this happen when we were in a pastoral training workshop, we had the senior elder there who is an ex-pastoralist. He had his grandson there. They're on the front page of the Australian newspaper. He was as proud as punch that his grandson was going to be a stockman. [01:11:00] Two days later he left and worked and went and worked at a mine because he didn't want to work on a station.

So if you're looking again out and say [inaudible 01:11:10] area, and at employment opportunities, there's station work and there is some mining work. This is another industry that can pick up kids and bring them in through civil construction, and I was involved in the Pangaea training programme. Having been involved in a lot of pastoral training [01:11:30] programmes, this was one of the best I've seen. No holes barred.

They went, the Pangaea executives, just this is what we've got to do, and this is how we've got to deliver it. So the employment opportunities are simple: driving machinery, and anybody between 30 and 40 into the oil and gas industry. I do see a sense from these major companies that they need to deliver on that front.

Vaughan Beck AM: [01:12:00] Can you just briefly outline the training programme at Pangaea that you're talking about, and did it lead to a formal qualification?

David Armstrong: Yeah, look, the Pangaea training programme led to a certificate, two or one in resource management I think, and what they did ... It was based at [Flying Fox Station 01:12:23], that makes contracting [inaudible 01:12:26], which you may have heard of that, this programme.

Vaughan Beck AM: Yes.

David Armstrong: [01:12:30] Yeah, so I'll probably be brief here ...

Vaughan Beck AM: That's fine.

David Armstrong: On the back of that, speaking to traditional owners, senior mentors who were there, and that was the key to the success of this, was employing mentors. So they brought all the traditional owners, so speaking to one of those senior people last year, the object was that these kids would apply for jobs and come back and work in 2016. Obviously the moratorium [01:13:00] kicked in and the work stopped, but speaking to one of the senior mentors last year, two of those kids got jobs elsewhere. So that's a success. A big success, and they got it on the back of that. He said straight out, they got this work on the back of that training programme. So the wire extraction worked. There's a lot of work that went into it, again, a bit target of



traditional owners, of that Pangaea area, [01:13:30] not aboriginal people from wherever, it was traditional owners, which again is a big thing.

Vaughan Beck AM: Thank you.

Hon. Justice

Rachel Pepper: Yes, Dr. Andersen, last question.

Alan Andersen: Yes, thank you for all that. I just wanted to follow up the employment opportunities, and whether there's scout for employment that goes beyond the industry itself, but employment [01:14:00] that might be more directly relevant to aboriginal communities, and that is using the wealth that is created by the industry to establish things like that land management and ranging programmes, maybe [inaudible 01:14:13] out of the crafts or sporting ... Other enterprises that aren't directly related to the industry. What sort of scope for that?

David Armstrong: Yeah, look, I see a lot of scope in that, and I see a lot of opportunity in that, and I say [01:14:30] that from gaining this the funds to do themselves off their land to then go and invest in whatever they want to. So as you've mentioned, ranger groups, in land management, and that can be then worked in with mining operations, the oil and gas industry, the way you manage such things, but also on their vital land trust areas or native title areas for safe and [01:15:00] site protection, and further weed control that they do, tourism industries, cattle industries in particular, on their cattle stations for infrastructure development, taking that funds elsewhere. It's harder and harder to get funding for pastoral development, and I believe that if aboriginal people can generate their own income off areas of their land trust, and put that [01:15:30] money elsewhere, the opportunities are there. That's what these people were talking to me about out there. Where can we get some money? So they need to have the opportunity to see whether this industry is good and how it can happen.

Another thing I suppose I can point out is the holistic, I believe, consultation that needs to happen with aboriginal people about economic development on their land, [01:16:00] including this industry, and that's where I've seen a land trust with nothing happening on it, and the traditional owners want cattle on it because that's what they identify with, and it also has an exploration application over it. At that stage I was working for a major pastoral company on the cattle potential of this land, and I knew that another major oil and gas company was interested in it, [01:16:30] so I wanted to try to bring the two together and do one consultation, rather than develop a plan on how they can both utilise oil and gas and cattle on this land. Because if you go out on month, and you consult on cattle, and then you go out the next month and consult on oil and gas, it's too much confusion. They don't know what they should do. Bring it together and show that it can work [01:17:00] together, and they can make a choice. If they want both, or if they don't want both, because the reality is there is potential income out of this industry and the income isn't there so much out of the cattle industry.



There's the employment and jobs, but the long and short of it, you don't make a huge profit from your cattle.

Rachel Pepper: Thank you very much, Mr. Armstrong. That was a very useful [01:17:30] presentation raising many good points. I'm very appreciative of your time to the panel. We have our last presenter here. Mr. Saltmarsh. Mr. Saltmarsh, if you could just [01:18:00] state your name and who you're appearing on behalf of. If it's yourself, that's fine. Just let us know. Thank you.

Carl Brand: Alright, my name is Carl Brand. I'm actually representing Rickie Saltmarsh, who's just in the last hour and a half given me a statement to read on her behalf.

Hon. Justice

Rachel Pepper: Ah, my apologies. Thank you, so your name is?

Carl Brand: Carl Brand.

Hon. Justice

Rachel Pepper: Carl Brand? B-R-A-N-D?

Carl Brand: B-R-A-N-D.

Hon. Justice

Rachel Pepper: Thank you very much.

Carl Brand: And it's a general statement of concern, I suppose affecting the general community.

Hon. Justice

Rachel Pepper: [01:18:30] Thank you very much.

Carl Brand: So I'll just read it as she's put down.

Hon. Justice

Rachel Pepper: Thank you.

Carl Brand: It's quite a short piece. She begins with, "Afternoon, Justice Pepper and panel members. Thank you for allowing me to have my say this afternoon at this inquiry. I'm pleased to acknowledge that we all drive cars, use barbecues, plastic products, and so on, and for that you need extraction and mining."

" [01:19:00] We also need water and drinking sharing, swimming, which is [inaudible 01:19:04] ... Also understand that much of the gas extraction is to export at the expense of both our water and land. I am a long time resident of [Darwin's 01:19:16] whole area, and one of my main concerns is, you guessed it, water, which I think is one of the major concerns all around. We live in the driest continent on this planet, Australia."

" [01:19:30] To quote a PDF. 'Shell gas extraction, WA, the amount of water extracted for fracking is between 5 to 25 million litres per well. Approximately ten fracks per well, by thousands of wells, that's quite



scaling.' To quote the article, 'Water beneath our feet,' by Derek Eamus, professor of environmental sciences at the University of Technology, Sydney, who [01:20:00] previously worked with an oil exploration university on tropical savannas." And she goes on to quote again, "The declining ground water is a big problem for Australia, the loss of ground water poses serious effects to humans, [inaudible 01:20:13]." And then she says, "I ask, has anyone proven the mechanical injection of fracking, and is it safe? And I have no doubt you're going to address that in your final reports. [01:20:30] What's an acceptable risk, question mark? When will mining companies pay and be accountable for water usage, and who are you intending monitors this?"

"[inaudible 01:20:40] have been filmed in Queensland, dumping wastewater anywhere they can. [inaudible 01:20:46] When will BTEX chemicals be banned from fracking, benzene, toluene, ethylbenzene, xylene? [inaudible 01:20:56] the entering [01:21:00] report put out by the inquiry, it's mentioned that the chair, the deputy chair, however many panel members will consult with? There are [inaudible 01:21:11] energy regulations in Canada," and she asks again, "How can we be assured that the regulators are actually independent? There have been many instances of bad practises in the US and Canada, and dreadful consequences for many citizens and communities living in those fracking wells," or close to those fracking wells, sorry. [01:21:30] To conclude, I quote, 'the Northern Territory has an extraordinary amount of sunshine, which is perfect for the solar industry, so do we want a future based on fossil fuels or alternative energies?' And I'll leave this with you. Thank you very much.

This is from Rickie Saltmarsh. It's, as I say, a general statement of concern rather than a ...

Hon. Justice
Rachel Pepper:

No, no, no, thank you very much. I'm appreciative of both Ms. Saltmarsh's time and your time coming here today. Given that you're reading out a statement on behalf [01:22:00] of somebody else, we won't ask you any questions, but I should just let you know to pass on to Ms. Saltmarsh that BTEX is banned in fracking in the Northern Territory.

Carl Brand:

I'll relay that to her.

Hon. Justice
Rachel Pepper:

That brings today's proceedings to a close, and we will resume tomorrow at 8:30 AM. Thank you very much. Thank you for coming, Mr. Brand.